VZCZCXYZ0003 PP RUEHWEB

DE RUEHKL #0570 0870755 ZNR UUUUU ZZH P 280755Z MAR 07 FM AMEMBASSY KUALA LUMPUR TO RUEHC/SECSTATE WASHDC PRIORITY 8857 INFO RUCNDT/USMISSION USUN NEW YORK PRIORITY 1015 RUEHUNV/USMISSION UNVIE VIENNA PRIORITY 0108

UNCLAS KUALA LUMPUR 000570

SIPDIS

SENSITIVE SIPDIS

DEPARTMENT FOR ISN AND IO

E.O. 12958: N/A

TAGS: <u>PREL KNNP EFIN PARM MNUC TRGY AORC MY</u>
SUBJECT: DEMARCHE DELIVERED ON THE ADOPTION OF UNSCR 1747

AND IMPOSITION OF SANCTIONS ON IRAN

REF: A. STATE 37801

1B. STATE 38553

¶C. KUALA LUMPUR 540

- $\P1$. (SBU) We delivered reftel demarches on March 26 and 27 to MFA's Office of Multilateral/Political Affairs, Office for the Organization of Islamic Conference, Americas Desk, as well as the personal assistant to the Foreign Minister. Under Secretary for Multilateral/Political Affairs Shahrul Ikram noted that Malaysia's position on Iran remains unchanged following the passage of UNSCR 1747 (see para 2 below). Shahrul commented that he has requested information from Bank Negara (Malaysia's National Bank) regarding Bank Sepah's status and activities in Malaysia, but he has not yet received any information on that matter.
- 12. (U) Prime Minister Abdullah Badawi fielded a question from reporters regarding sanctions against Iran in his March 27 press conference. Abdullah reiterated Malaysia's position that all countries should have the right to pursue peaceful nuclear energy. Regarding UNSCR 1747, Abdullah took a more helpful approach and expressed hope that Iran would consider the seriousness of the sanctions. "This (UNSCR 1747) is the decision of all the members of the Security Council and it is hoped that Iran will follow them, as it is the decision of the UN. Even though this will be hard for Iran, I hope Iran can truly study the requirements and weigh the effects of not following them. Whether or not they want to obey, that is up to Iran. But if Iran refuses, the results will be difficult."
- (SBU) The issue of Iran sanctions has garnered relatively little press in Malaysia, and our contacts in the MFA have not commented openly on the subject. We have raised the seriousness of Iran's actions directly with the FM (ref C) and will continue to press the Malaysian government to enforce both the spirit and letter of the Security Council resolutions. SHEAR